BRITISH COLUMBIA

BC STATS Infoline

Issue: 97-26 7 Pages
June 27, 1997

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highlights

a weekly digest of recently released British Columbia statistics

Migration

- **Migration to BC from the rest of Canada was down 69% in the first quarter of 1997, relative to the same period last year.** BC gained 1,153 people due to interprovincial migration in the first three months of the year, compared to a net inflow of 3,747 in the first quarter of 1996. This was the lowest net interprovincial migration to the province since 1987.

  There was a net outflow of 1,507 people from British Columbia to Alberta. This was the second consecutive quarter in which BC has lost residents to Alberta, and also the second consecutive quarter in which net migration from other parts of Canada to Alberta has exceeded that to BC. Migration to British Columbia from Ontario continued to slow, with a net inflow of 1,689 people in the first quarter. However, net international migration to the province remained strong. BC's net gain from immigration was 10,948 in the first quarter, 9.4% more than in the same period last year.

  Source: BC STATS

Employment Income

- **Median employment income in British Columbia increased 1.4% to $21,600 in 1995.** Northwest Territories ($24,400), Yukon ($24,100) and Ontario ($23,000) were the only other regions where median income was above the Canadian average of $20,600. Residents of the Atlantic provinces continued to have the lowest employment income in the country, with Prince Edward Island ($13,500) edging out Newfoundland ($13,600) for last place.

  Although BC maintained its ranking relative to other regions, the 1.4% increase in median employment income was among the lowest in the country. Nationally, employment income rose 2.0% in 1995, with the strongest gains occurring in Canada's poorest regions, Newfoundland (+7.9%) and PEI (+7.1%). In Alberta, the median employment income was unchanged at $19,900 for the third straight year. Employment income rose in all other regions of the country. *Source: Statistics Canada*

- **Women in British Columbia had a median employment income of $16,700 in 1995.** This was 60% of the $27,900 median income for men. However, the size of the earnings gap between men and women has narrowed significantly since the beginning of the decade. In 1991, the median employment income of women was only 55% ($14,700, compared to $26,800) of that earned by males.

  Despite these gains, the difference between male and female earnings in BC is larger than average. Nationally, women's earnings were 62% of men's in 1995, and the ratio in other regions ranged from 55% in New Brunswick to 74% in Yukon. BC was ranked eighth among the twelve regions, compared to its tenth-place ranking in 1991. *Source: Statistics Canada*

- **The number of British Columbians reporting self-employment income has increased 42% since 1990.** This compares to a 26% gain at the national level. There were 351,530 BC taxfilers who reported income from self-employment on their 1995 tax returns. Nineteen percent of BC taxfilers with employment income had some earnings from self-employment, compared to 16% nationally. In 1995, 2.4 million Canadians reported some self-employment income.

  Source: Statistics Canada

Report **High technology**

Did you know...?
Mental disorders account for more than a tenth of all days spent in hospital in BC. Only cardiovascular disease causes more bed-days.

Labour Market

- **The number of employment insurance (EI) recipients receiving regular benefits in British Columbia fell 2.4% to 67,110 (seasonally adjusted, SA) in April.** Nationally, the number was down 3.7% from March. While all regions of the country recorded declines, Alberta (-12.7%) saw the largest drop in EI recipients, followed by Saskatchewan (-8.4%) and Manitoba (-7.0%). BC and Nova Scotia (-2.3%) were the regions with the smallest decreases in EI beneficiaries.

  Source: Statistics Canada

- **Workers in British Columbia earned an average $610 (SA) per week in April.** This was only marginally higher (+0.1%) than in March. Average weekly earnings in BC have declined in three of the last four months, while wages have been rising at the national level. As a result, BC has lost some ground relative to other regions, slipping from fourth to fifth place. In April, workers in BC earned less, on average, than those employed in Yukon ($726), NWT ($719), Ontario ($639) and Alberta ($613). Historically, average earnings in Alberta have been lower than in BC. Wages rose 0.6% nationally, to $600 per week. *Source: Statistics Canada*

The Economy

- **Department store sales in BC and the two territories surged ahead in May.** Sales were up 16.6% over May 1996, marking the largest year-over-year increase since October 1989. After a weak performance in December, department store sales have been improving, and year-to-date were 9.9% higher than in the first five months of 1996. Nationally, department store sales increased 11.6% in May as sales rose in all regions of the country. Alberta (+17.9%) led the provinces, followed by British Columbia (+16.6%). Manitoba (+5.7%), Quebec (+6.3%) and New Brunswick (+8.3%) were the only regions where sales increased by less than ten percent in May. *Source: Statistics Canada*

Prices

- **Canadian softwood lumber prices fell 1.7% between April and May, with decreases ranging from 0.3% on the BC coast to 4.4% in Ontario.** The decline in softwood lumber prices contributed to a 0.8% drop in the industry product price index for wood. The lower value of the US dollar was a significant factor in last month's decline. However, Canadian pulp prices rose for the second consecutive month in May, increasing 3.5%. This brought the total price increase since May 1996 to 8.3%. Pulp prices took a nosedive in late 1995 and early 1996, but world demand for pulp now appears to be reviving.

  Source: Statistics Canada

Park Usage

- **Good weather conditions in May, coupled with a sunny holiday long weekend contributed to a 7% increase in the usage of provincial parks last month, as 604,348 visits to parks were recorded.** Campground use increased 9% from May 1996, and day use and boating use were both up 7%. The increased usage was particularly noticeable in the Thompson River, Skeena, Peace-Liard and Lower Mainland Districts.

  Source: Ministry of Environment, Lands and Parks

Weapons and Violent Crime

- **In 1995, three out of four violent crime victims did not encounter a weapon.** Knives or sharp objects (5%), blunt objects (3%) and firearms (2%) were used in only 10% of violent crimes. Fourteen percent of violent crimes were committed using other weapons such as poison, fire, or motor vehicles. In five percent of the cases, the weapon used was unknown. However, most homicides/attempted murders involved the use of weapons, with knives or sharp objects (30%) being the most common, followed closely by firearms (29%). One in five murders or attempted murders was committed using physical force rather than a weapon.

  The use of knives or blunt objects during a non-lethal assault was more likely to result in injury to the victim than when a firearm was present. In 1995, 31% of victims who encountered an assailant with a sharp object and 27% of victims facing a perpetrator with a blunt object sustained major injuries, compared to 16% of those who were threatened with a firearm.

  Source: SC, Junstat Vol. 17, No 7

highlights, Issue 97-26
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For data originating from Statistics Canada: data sourced to Statistics Canada has been retrieved from CANSIM, the agency s electronic database; otherwise the source is identified as SC plus the publication name or catalogue number.

Infoline Report:

June 27, 1997

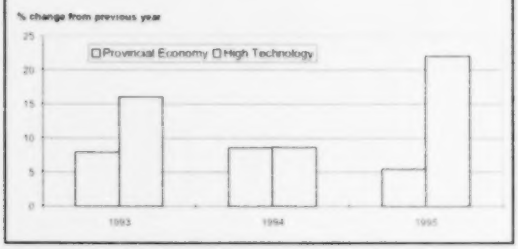
The British Columbia High Technology Sector, 1988-1995

Originally published in *Business Indicators, June 1996*. An annual subscription is $60 plus GST.

Growth in high technology GDP continued to out-pace the total B.C. economy

In 1995, high technology gross domestic product (GDP, in current dollars) grew 22% to $2.4 billion, the largest jump since 1989. This growth was far stronger than the B.C. economy as a whole, which rose 5%[1]. In every year since 1992, high technology GDP grew faster than the overall provincial economy, averaging 12% each year[2], twice the growth of the provincial economy.

High technology grew faster than the B.C. economy as a whole



High technology has grown more rapidly than the rest of the economy in every year since 1988 with the exception of 1991. In spite of these increases, the high technology sector remains a small component in the diverse B.C. economy. Its share of the economy rose from 1.8% of provincial GDP in 1988 to 2.6% in 1995.

Service industries dominate high technology

The service industries dominate in the high technology sector, generating roughly three-quarters of the sector's GDP and revenue, and accounting for just over three-quarters of the establishments and employment.

In 1995, high technology service industries generated $1.8 billion, an increase of 17% from 1994. GDP in the high technology manufacturing industries grew 40% to $628 million.

The number of establishments[3] operating in the high technology sector in 1995 was 5,116, an increase of 404 establishments from 1994. High technology accounted for 3% of the 146,417 establishments of all types in B.C. during 1995.

Over 41,000 people were employed in high technology industries during 1995. This was an increase of 22% from the previous year. Growth rates were roughly the same in both manufacturing and service industries. The provincial workforce, by comparison, grew 4% to 1.4 million.

The high technology sector has been a source of constant employment growth. Between 1988 and 1995 employment averaged an annual increase of 6%, twice as fast as the provincial workforce as a whole.

The high technology industries in the province earned $5.1 billion in revenue in 1995, up 34% from $3.8 billion in 1994. High technology service indus-

[1] Based on data available April 1997.

[2] Compound rate.

[3] An establishment is the smallest unit of a company capable of reporting full financial statistics. Establishments are often equivalent to "plants" or "locations".

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tries had $3.9 billion in revenue, while high technology manufacturing earned $1.2 billion.

Three high technology service industries dominate

Engineering services and the closely related scientific and technical services industry dominate the high technology sector in B.C. In 1995, the industries saw substantial GDP growth, rising 21% to $1.1 million. This was two-fifths of the sector's GDP.

Engineering services had the largest number of establishments (1,546), followed by computer and related services (1,365). Both these industries had more establishments than the high technology manufacturing industries in total.

Three service industries earned three-quarters of the $5.1 billion in revenue generated by high technology industries in 1995. Engineering services ($1.8 billion in revenue), computer and related services ($1.2 billion), and scientific and technical services ($800 million) dominated the sector. The largest manufacturing industries, office, store and business machines and communication and other electronic equipment, each earned roughly $300 million during 1995.

High technology establishments are concentrated in Mainland/Southwest

Two-thirds of the province's 5,116 high technology establishments were located in the Mainland/Southwest Development Region. The majority of these were found in the Greater Vancouver Regional District.

International Trade

This section focuses on international trade in high technology commodities. Readers are cautioned that the analysis does not include service industries such as engineering services and computer and related services. However, anecdotal evidence reported elsewhere[4] suggests that all forms of service exports from B.C. have been growing.

High technology sector shipments[5] jumped 23%, while exports rose 8%

In 1995, high technology manufacturing industries had shipments of $1.2 billion, an increase of 23% from 1994. This represents 3% of the provincial total. Total shipments by all B.C. manufacturers rose 10% in 1995.

B.C. high technology manufacturers exported just under one-half of their shipments in 1995. The value of exports, $563 million, was an increase of 8% from 1994. This difference in the growth rates of shipments and exports points to increasing domestic consumption[6] of high technology outputs.

In 1995 high technology commodities accounted for 2% of the value of B.C.'s exports. The proportion of B.C.'s exports accounted for by high technology commodities has grown from a 1% share held in 1988.

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[4] "Service Exports – Shipping and Professional Service Industries Bring in More Overseas Revenue", *Exports (B.C. Origin)*, November 1996, BC Stats.

[5] Shipments represent revenue from all production, sales, services and related activities in the high technology manufacturing sector.

[6] This includes consumption both in B.C. and in the rest of Canada.

U.S.A. remains the primary high technology trading partner, both for exports

In 1995, the United States continued to be the dominant destination for B.C. exports of high technology commodities, accounting for more than two-thirds of all B.C. high technology sector exports ($400 million). This proportion of high technology exports has remained fairly constant since 1988.

Total high technology commodity exports to the Pacific Rim region were $101 million in 1995, up 16% from the year before. This was a shift from 1994, when the value of exports of high technology commodities to the region fell 2%. The proportion of B.C.'s high technology exports going to Pacific Rim countries has risen slightly since 1988, but remains under one-fifth of the total.

and imports

During 1995, $2.9 billion in high technology commodities were imported to British Columbia. The value of imports rose 19% from 1994, and has nearly doubled from 1988. The proportion of all B.C. imports accounted for by high technology commodities has increased from 12% in 1990 to 15% in 1995.

In 1995 the United States was the source of 60% of the imports ($1.7 billion). This has dropped slightly from the 62% of imports the USA accounted for in 1988. Nearly one-fifth of the value of high technology commodity imports in 1995 came from the Pacific Rim, half of that from Japan alone. The European Union was the source of just over one-tenth of the high technology commodities imported to B.C.

Computers & telecommunications are B.C. s most valuable high technology commodity

The value of computers and telecommunication commodity exports in 1995 was $272 million, accounting for nearly one-half of all B.C.'s high technology exports during the year. This proportion has remained fairly constant since 1988. The next largest high technology commodity group is computer integrated manufacturing, with just under $90 million in exports in 1995.

Computers and telecommunications accounted for one-half of the value of high technology imports, up from two-fifths in 1988. The next largest value of high technology imports during 1995 was in life sciences commodities, with less than one-fifth of the value of imports.

B.C. s 1995 high technology balance of trade a $2.3 billion deficit

Imports of high technology commodities in 1995 exceeded the total value of exports, resulting in an overall deficit of $2.3 billion in B.C. high technology commodities. Although B.C. has had a high technology trade deficit of over $1 billion in every year of this study, 1995 marks the first time that the deficit has exceeded $2 billion.

Many imported high technology commodities are used in high technology manufacturing

Many of B.C.'s high technology imports are components or substances that could be utilised or incorporated into the production of high technology products. The single largest import commodity between 1988 and 1995 was essentially

one group of computer parts; B.C. imported $1.4 billion of this commodity during the 8 year period, a tenth of high technology commodity imports.

Some commodities used by the high technology sector are, for the most part, imported. All computers, video units, printers, etc. used in the high technology sector are imported, and more than 80% of integrated circuits and aircraft and aircraft parts are imported.

and in non-high technology industries

Some imported commodities are utilised in industries other than those that are part of the high technology sector. One such example is the importation of aircraft, no doubt used by the transportation industry. Between 1988 and 1995 B.C. imported $1.1 billion in aircraft, 7% of the total value of high technology imports for the period.

which also use B.C. high technology commodities

Industries outside the high technology sector that make substantial use of high technology commodities produced in B.C. include laboratory supplies and banks.

This paper is drawn from a comprehensive overview of the B.C. high technology sector, *The British Columbia High Technology Sector, 1988-1995*. The report, which includes 27 pages of detailed tables, is available from the Business & Economic Statistics page of the BC Stats website[1].

Three other related reports are also available from the website: an earlier edition of the sector analysis, *The British Columbia High Technology Sector, 1988-1994*, and two methodology reports: *Defining the High Technology / Knowledge Sector in British Columbia* and *The British Columbia High Technology Sector, Input/Output Analysis*.

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[1] http://www.bcstats.gov.bc.ca

Infoline

June 27, 1997

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BC at a glance . . .

POPULATION (thousands)	Apr 1/97	% change on year ago
BC	3,915.9	2.2
Canada	30,202.9	1.1
GROSS DOMESTIC PRODUCT		% change
(BC - at market prices - $ millions)	1996	on year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Apr	2,950	12.9
Merchandise Exports (raw) Apr	2,247	10.9
Retail Sales (seasonally adjusted) Apr	2,685	3.5
CONSUMER PRICE INDEX		% change
(all items - 1986=100)	May '97	on year ago
BC	139.9	0.9
Canada	137.7	1.5
LABOUR FORCE (thousands)		% change
(seasonally adjusted)	May '97	on year ago
Labour Force - BC	2,002	1.6
Employed - BC	1,825	1.5
Unemployed - BC	176	3.0
		May '96
Unemployment Rate - BC *(percent)*	8.8	8.7
Unemployment Rate - Canada *(percent)*	9.5	9.4
INTEREST RATES (percent)	Jun 25/97	Jun 26/96
Prime Business Rate	4.75	6.50
Conventional Mortgages - 1 year	5.20	6.50
- 5 year	7.00	8.50
US/CANADA EXCHANGE RATE	Jun 25/97	Jun 26/96
(avg. noon spot rate) Cdn $	1.3948	1.3609
US $ *(reciprocal of above rate)*	0.7169	0.7348
AVERAGE WEEKLY EARNINGS		% change
(industrial aggregate - dollars)	Apr '97	on year ago
BC	607.62	2.0
Canada	598.22	3.9

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Review

Released this week by BC STATS

- Migration Highlights, First Quarter 1997
- Toursim Room Revenue, Annual 1996
- Earnings and Employment Trends, March 1997
- Business Indicators, June 1997
- Current Statistics, June 1997

Next week

- Small Business Quarterly, First Quarter 1997

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